



LIPPO MALLS INDONESIA RETAIL TRUST

(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 8 August 2007)

LIPPO MALLS INDONESIA RETAIL TRUST

2Q 2014 RESULTS NEWS RELEASE

LMIR TRUST ACHIEVED 4.8% GROSS RENTAL GROWTH Y-o-Y

- *Gross Rental from property portfolio increased by 4.8% y-o-y in IDR¹ terms*
- *DPU of 0.68 cents for 2Q 2014 represents a rolling 12-month yield of 7.0%*
- *DPU of 0.68 cents is the same as that of 1Q 2014*
- *Portfolio Occupancy of the shopping malls remained high at 95.3%*

Singapore, 7 Aug 2014 – LMIRT Management Ltd, the manager of Lippo Malls Indonesia Retail Trust (“LMIR Trust”) announces that the portfolio of LMIR Trust achieved Gross Rental growth of 4.8% y-o-y in IDR terms. The distribution per unit (“DPU”) has remained stable since 1Q 2014, assisted by the currency hedging and capital management strategies which were implemented in 4Q 2013.

The underlying portfolio performance has been encouraging. Gross Rental Income in IDR terms grew 4.8% y-o-y while occupancy of the shopping mall remained stable at 95%, well above the industry average of 82%².

Despite the growth in rental and relatively stable portfolio net property income (“NPI”) in IDR terms, NPI declined in SGD³ terms by 17.7% compared with 2Q 2013, due largely to the depreciation of IDR.

¹ Indonesian Rupiah

² Colliers Market Report 1Q 2014 Retail (occupancy of the Greater Jakarta)

³ Singapore Dollar

IDR mn	2Q 2014	2Q 2013	Variance %	1Q 2014	Variance %
Gross Rental Income	266,111	253,830	4.8%	258,564	2.9%
Net Property Income	288,299	295,521	-2.4%	287,839	0.2%
SGD '000					
Gross Rental Income	28,754	32,518	-11.6%	27,911	3.0%
Net Property Income	31,152	37,859	-17.7%	31,071	0.3%
Distributable Income	16,608	20,462	-18.8%	16,741	-0.8%
DPU (cents)	0.68	0.93	-26.9%	0.68	-

As a result of the lower NPI, 2Q 2014 Distributable Income decreased by 18.8% y-o-y to SGD16.6 million, after deducting finance and other costs incurred at the LMIR Trust level. This translates into a DPU of 0.68 cents for 2Q 2014, which represents an Annualized DPU yield of approximately 6.8% and a rolling 12-month yield of 7.0%, based on the closing price of SGD 0.400 per unit on 30 June 2014.

Mr. Alvin Cheng, Chief Executive Officer of the REIT Manager, said “The underlying business fundamentals remained solid, as illustrated by the growth in Gross Rental Income and high occupancy level of the malls. The portfolio performance was affected by few challenges in the past years, namely, the 22.1% depreciation of IDR y-o-y, as well as the expiry of the Rental Guarantee from the previous owner of Pluit Village.”

“However, there are clear signs of improvement in Pluit Village’s occupancy and rental income, including the opening of a new food court, whereas the Indonesian currency has appreciated since the end of 2013.”

Diversified Funding and Strong Balance Sheet

Total outstanding debt as at 30 June 2014 was SGD 475 million, and there was no debt repayment in this quarter. LMIR Trust’s gearing ratio as at 30 June 2014 remained conservative at 28.3%, whilst the weighted average maturity of debt facilities was extended to 2.3 years, with no refinancing required until July 2015.

At the same time, 100% of the outstanding debts are now at fixed interest rates, whilst LMIR Trust's average all-in cost of borrowing has been reduced from 5.63% to 5.30% since January 2014. Furthermore, 100% of LMIR Trust's SGD 1.4 billion asset portfolio is unencumbered, thus providing LMIR Trust with ample financial flexibility to fund its future growth.

Mr. Cheng said, "Given the conservative gearing ratio and debt maturity profile of LMIR Trust, as well as the Trust's ability to access the capital markets and banking facilities, we aim to leverage upon these strengths to finance the growth of LMIR Trust when the opportunity arises."

Clarity of Growth

LMIR Trust's Sponsor, PT. Lippo Karawaci Tbk ("LK"), is one of the largest listed property developers and mall operators in Indonesia. With its strategic intention to grow LMIR Trust as the cornerstone of its third pillar of growth, the Sponsor has provided the Trust with a right of first refusal over its retail malls to be built across Indonesia.

LMIR Trust will continue to explore its Sponsor's pipeline of quality assets in Indonesia as well as opportunistic third-party acquisitions, to achieve its goal of growing LMIR Trust's portfolio in the coming years, and to deliver stable long-term returns to our Unitholders.

Outlook

The Indonesian economy grew 5.8% in 2013 and 5.2% in 1Q 2014. There are signs of continued growth with the average IDR exchange rate appreciating 3% against SGD and appreciating 4.8% against USD since the start of the year.

Investor confidence in Indonesia's economic fundamentals continues to be firm. The Jakarta Composite Index (JCI) has gained 17.5% year to date, making it one of the highest gainers among the Asia-Pacific markets. Financial markets have generally

reacted well to the presidential election, with the announcement of Joko Widodo as the newly-elected President of Indonesia on 22 July 2014.

The near term retail space supply will likely be limited as the shopping centre moratorium (issued by the former Jakarta Governor Fauzi Bowo) continues. This will create a favourable market condition for existing shopping mall owners as retail space in Jakarta will be keenly sought after in the next few years.

The outlook for quality retail spaces looks promising in the next 12 months as both local and foreign retail players continue to remain active. Inflation continues to drop from 7.3% in 1Q 2014 to 6.7% in 2Q 2014. Higher disposable income, lower inflation, coupled with an emerging trend of lifestyle shopping malls are expected to drive the demand for retail space.

About Lippo Malls Indonesia Retail Trust ("LMIR Trust") (www.lmir-trust.com)

LMIR Trust is a Singapore-based real estate investment trust established with the principal investment objective of owning and investing, on a long-term basis, in a diversified portfolio of income-producing real estate in Indonesia that are primarily used for retail and/or retail-related purposes.

LMIR Trust's current asset portfolio comprises sixteen retail malls ("Retail Malls") and seven retail spaces located within other retail malls ("Retail Spaces", and collectively with the Retail Malls, the "Properties"). The Properties have a total net lettable area of 706,492 sqm and total valuation of S\$1.42 billion as at 30 June 2014, and are strategically located in major cities of Indonesia with large middle-income population. Tenants include leading names such as Matahari Department Store, Sogo, Giant Hypermarket, Carrefour, as well as international specialty tenants such as McDonalds, Pizza Hut, Fitness First, Starbucks and Ace Hardware.